

SPD POLICY GUIDANCE

RECRUITMENT AND RELOCATION BONUSES AND RETENTION ALLOWANCES

1. Purpose. To encourage and define the use of recruitment and relocation bonuses and retention allowances as employment incentives.

2. References:

a. Title 5 Code of Federal Regulations (CFR), Chapter 1,
Part 575, subpart A.

b. Federal Employees Comparability Act (FEPCA) of 1990 (Public Law 101-509)

c. CE Circular No. 690-1-710, Recruitment and Relocation Bonuses and Retention Allowances, 1 Jan 01

3. Parts I, II, and III provides South Pacific Division policy on the use and documentation of Recruitment and Relocation Bonuses and Retention Allowances.

PART I - RECRUITMENT BONUSES

1. FEPCA provides the South Pacific Division and subordinate Districts the flexibility to offer recruitment bonuses of up to 25 percent of an employee's base pay.

2. Eligibility: Recruitment bonuses apply to positions in the General Schedule (GS).

a. A recruitment bonus may be paid to any qualified candidate for a difficult-to-fill position. When necessary to make a timely offer of employment, the Commander may authorize (in advance) the recommending official to offer a recruitment bonus to any candidate without further review or approval.

b. A recruitment bonus may be offered to a new employee regardless of tenure, or to a newly appointed employee of the federal government following a break in service of at least 90 days from the candidate's last period of federal employment other than:

- (1) Employment in a cooperative work-study program;
- (2) Employment under the Stay-in-School program;
- (3) Employment as a law clerk trainee;

(4) Employment during school vacations under a short term temporary appointing authority;

(5) Employment under a provisional appointment, if the new appointment is permanent and immediately follows the provisional appointment; and,

(6) Employment under a temporary appointment that is neither full-time nor the principle employment of the candidate.

c. The Commander, South Pacific Division has designated subordinate District Commanders to approve and make initial bonus offers.

3. Documentation Requirements: The approving official is responsible for insuring the bonus is fully documented. The recommendation, justification and decision to pay a recruitment bonus will be documented on a memorandum submitted to the approving official.

4. District level positions: For positions at or below the Office/Division Chief level, the Division Chief may make the recommendation subject to the District Engineer's approval.

b. For positions at the Office or Division Chief level, the District Engineer makes the recommendation subject to the Division Commander's approval.

c. Division (SPD-HQ) level positions: For positions within the SPD Headquarters, the Director or Office Chief recommends the bonus subject to the Division Commander's approval.

d. Requesting official must certify in the request memorandum, that without a recruitment bonus, the organization would have difficulty filling the position. This determination must be made before any employee enters on duty.

e. Groups of positions that have been hard to fill in the past may be targeted and the decision to offer recruitment bonuses may be determined (in writing) for the entire group prior to actual recruitment.

f. Factors to be considered in documenting payment of recruitment bonus will include:

(1) A description of the results of recent efforts to attract candidates for the position for which payment of a bonus is being considered and/or for similar positions.

(a) How many offers were made;

(b) How many offers were declined and reasons;

(c) Average length of time to fill this and/or similar positions;

(d) Number of employees in this and/or similar positions;
authorized, required, filled;

(2) Labor-market factors that may affect the ability to recruit candidates for this and/or similar positions, such as the impact of locale on the ability to recruit and attract candidates.

5. Service Agreement: Before a bonus will be paid, the employee must sign a written agreement to serve a minimum of six (6) months (Enclosure 2).

6. Method of Payment: A recruitment bonus is paid as a one-time lump sum payment.

PART II – RELOCATION BONUSES

1. FEPCA provides the South Pacific Division and subordinate Districts the flexibility to offer relocation bonuses of up to 25 percent of an employee's base pay.

2. Eligibility. Relocation bonuses apply to positions in the General Schedule (GS).

a. Occupants of hard-to fill positions and/or occupations that are critical to the mission are eligible. A relocation bonus may be offered to a current employee who must relocate to accept a position in a different commuting area. These bonuses may be paid for permanent and temporary relocations.

b. Relocation of employee must be without a break in service.

c. The initial offer for a relocation bonus may be made by the selecting official; however, approval must be granted by the District or Division commander or the designated subordinate official (i.e. Executive Assistant, Deputy District Engineer, HR Director).

3. Documentation Requirements. The approving official is responsible for insuring the bonus is fully documented. The recommendation and decision to pay a relocation bonus and the justification will be documented on a memorandum for the approving official.

a. District level positions: For positions at or below the Office/Division Chief level, the Division Chief may make the recommendation subject to the District Engineer's approval.

b. For positions at the Office or Division Chief level, the District Engineer will recommend a bonus subject to the Division Commander's approval.

c. Division (SPD-HQ) level positions: For positions within the SPD Headquarters, the Director or Office Chief recommends the bonus subject to the Division Commander's approval. The requesting official must certify, in writing, that without a relocation bonus, the organization would have difficulty filling the position.

d. Factors to be considered when documenting payment of relocation bonus will include:

(1) A description of the results of recent efforts to attract candidates for the position for which payment of a bonus is being considered and/or for similar positions.

(a) How many offers were made;

(b) How many offers were declined and reasons;

(c) Average length of time to fill this and/or similar positions;

(d) Number of employees in this and/or similar positions; authorized, required, filled;

(2) Labor-market factors that may affect the ability to recruit candidates for this and/or similar positions, such as the impact of locale on the ability to recruit and attract candidates.

4. Service Agreement. Before a bonus can be paid, the employee must sign a written agreement to serve a specified period of employment at the new duty station to which relocated. The specific period of time will be decided between the requesting official and the approving official and documented on the enclosed Service Agreement (Enclosure 3).

5. Method of Payment. Relocation bonuses are calculated as a percentage of the employee's rate of basic pay and paid as a lump sum. Before a relocation bonus may be paid to an employee, the employee must establish a residence in the new commuting area.

PART III – RETENTION ALLOWANCES

1. The South Pacific Division and subordinate Districts have the flexibility to offer retention allowances of up to 25% of basic pay to a General Schedule employee in order to retain his/her services.

2. Each allowance paid under this authority will be based on a written determination that it is essential the employee is retained, and in the absence of a retention allowance, the employee is likely to leave Federal service.

3. Conditions:

a. A retention allowance may be paid to an employee if he/she has completed a mandatory period of employment established under a service agreement for a recruitment or relocation bonus, if applicable.

b. A retention allowance may be paid to an employee who is likely to leave the Federal service (for private employment or for retirement, for example). However, the determination must show the qualifications of the employee and/or the needs of the agency make it essential to retain the employee.

4. The decision to pay a retention allowance and the justification will be documented on recommendation and decision memorandum. Only the Division Commander has approval authority for retention allowances.

5. In determining whether an allowance be paid and in determining the amount of the bonus, the Division Commander will consider the following:

a. The success of recent efforts to recruit candidates and retain employees with similar qualifications in similar positions; and,

b. The availability in the labor market of candidates who with minimal training or disruption of service could perform the full range of duties and responsibilities.

6. Before a retention allowance is paid, the employee must sign a Service Agreement (Enclosure 1) stating:

a. He would leave federal service if not offered a retention allowance; and,

b. He will remain in the position for a specific period of time (as determined appropriate by the deciding official); or,

c. If the position is temporary, he will remain in the position for the length of time specified in the Service Agreement.

7. A retention allowance of up to 10% of basic pay may be authorized to a group or category of employees if:

a. The unusually high or unique qualification of the employees or a special need for the employees' services makes it essential to retain the employees in the group, and

b. It is reasonable to presume that there is a high risk that a significant number of employees in the targeted group would be likely to leave the Federal service for any reason in absence of the allowance.

- c. A group based retention allowance may not be authorized for groups of senior-level and scientific or professional employees.

8. To support its determination that there is a high risk that a significant number of employees in the group targeted to receive a retention allowance are likely to leave, there should be evidence of extreme labor market conditions, high demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and private sector salaries, and/or other similar conditions.

9. Payment of a retention allowance may continue as long as the conditions that give rise to the original determination still exist. Retention allowances will be reviewed annually to insure payment is still warranted. The Division Commander shall certify continuance or termination of the allowance in writing annually.

10. Method of Payment. A retention allowance shall be paid in the same manner and at the same time as basic pay although it is not considered part of basic pay.

11. Termination of allowance. Retention allowances may be reduced or discontinued by the Commander if, during the annual review, one or more of the following is determined to be true:

- a. An increase in the base pay of an employee will cause the employee's pay to exceed the aggregate limitation on pay;

- b. A lesser amount or none at all would be sufficient to retain the employee;

- c. It is determined that based on current labor-market factors, the organization is more likely to be able to recruit a candidate with qualifications similar to those possessed by the employee.

- d. The needs for the employee's services have been reduced or are no longer essential to the mission;

- e. Budgetary considerations make it difficult to continue payment or to continue payment at the originally approved level.

12. Termination or reduction of a retention allowance may not be appealed; however, employees maintain the right to remedy under subchapter II of chapter 12 of title 5 United States Code, or any of the laws referred to in 5 USC 2302(d).

**SOUTH PACIFIC DIVISION
U.S. ARMY CORPS OF ENGINEERS
Retention Bonus Service Agreement**

A. LOCATION		B. TITLE, SERIES, GRADE	
C. ANNUAL PAY:	D. AMT OF BONUS		E: CPCN
F: EFFECTIVE DATE:		G. EXPIRATION DATE:	
EMPLOYEE'S STATEMENT			
<p>I understand that:</p> <p style="margin-left: 40px;">a. I will be paid in the same manner and at the same time as basic pay although it shall not be considered part of basic pay.</p> <p style="margin-left: 40px;">b. I understand this allowance is subject to the aggregate limitation on pay as prescribed in the regulations.</p> <p style="margin-left: 40px;">c. I understand this allowance is considered income for tax purposes.</p> <p style="margin-left: 40px;">d. I understand the necessity of an annual review in relation to continuing payment of the retention allowance, and that the allowance may be paid as long as conditions warrant continuation of payment.</p>			
Typed Name		Grade	SSN
Signature		Date	
Approving Official (Typed Name, Grade, Title)			
Signature		Date	
Human Resources Director (Typed Name, Grade, Title)			
Signature		Date	

**SOUTH PACIFIC DIVISION
U.S. ARMY CORPS OF ENGINEERS
Recruitment Bonus Service Agreement**

A. LOCATION		B. TITLE, SERIES, GRADE	
C. ANNUAL PAY:	D. AMT OF BONUS	E: CPCN	
F: EFFECTIVE DATE:		G. EXPIRATION DATE:	
EMPLOYEE'S STATEMENT			
<p>I understand that:</p> <p style="margin-left: 40px;">a. As a condition of accepting payment, I will remain in the above position from the effective date at least through the expiration date of this agreement, unless the agreement is terminated sooner as indicated below.</p> <p style="margin-left: 40px;">b. If my employment in the position shown above is terminated during the period of agreement at the convenience of the government, I will be entitled to retain the entire bonus.</p> <p style="margin-left: 40px;">c. If my employment in the position is terminated during the period of the agreement at my request, or as a result of misrepresentation or misconduct, I will be required to refund the unearned portion of the bonus.</p> <p style="margin-left: 40px;">d. The bonus is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay.</p> <p style="margin-left: 40px;">e. This agreement does not, in any way, commit the government to continue my employment until the expiration date.</p>			
Typed Name		Grade	SSN
Signature		Date	
Approving Official (Typed Name, Grade, Title)			
Signature		Date	
Human Resources Director (Typed Name, Grade, Title)			
Signature		Date	

**SOUTH PACIFIC DIVISION
U.S. ARMY CORPS OF ENGINEERS
Relocation Bonus Service Agreement**

A. LOCATION		B. TITLE, SERIES, GRADE	
C. ANNUAL PAY:	D. AMT OF BONUS		E: CPCN
F: EFFECTIVE DATE:		G. EXPIRATION DATE:	
EMPLOYEE'S STATEMENT			
<p>I understand that:</p> <p style="margin-left: 40px;">a. As a condition of accepting payment, I will remain in the above position from the effective date at least through the expiration date of this agreement, unless the agreement is terminated sooner as indicated below.</p> <p style="margin-left: 40px;">b. If my employment in the position shown above is terminated during the period of agreement at the convenience of the government, I will be entitled to retain the entire bonus.</p> <p style="margin-left: 40px;">c. If my employment in the position is terminated during the period of the agreement at my request, or as a result of misrepresentation or misconduct, I will be required to refund the unearned portion of the bonus.</p> <p style="margin-left: 40px;">d. The bonus is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay.</p> <p style="margin-left: 40px;">e. This agreement does not, in any way, commit the government to continue my employment until the expiration date.</p>			
Typed Name		Grade	SSN
Signature		Date	
Approving Official (Typed Name, Grade, Title)			
Signature		Date	
Human Resources Director (Typed Name, Grade, Title)			
Signature		Date	